

1 the verification script at the time apparently
2 made reference to Great Lakes?

3 A. Yes. The first sentence, I think, was
4 "This is so-and-so calling from Great Lakes
5 Verification or A&M Verification or whatever
6 company." And more than likely, there was also a
7 sales script out there that said, "Joe from Great
8 Lakes Verification is going to call you to verify
9 this order."

10 Q. And that was problematical because
11 Great Lakes was actually not, in fact, the
12 verifications company?

13 A. That's correct. They didn't exist.

14 Q. The situation -- this is April of
15 2002. Do you have any recollection as to how
16 long it had been the case that Great Lakes was
17 being referenced as the verification company?

18 A. I don't. I just reacted to the note.

19 Q. If you can, walk me through why it
20 would be a concern of yours that something that
21 was going on in the marketing area in terms of

1 the reference to Great Lakes would be your
2 responsibility.

3 A. It wouldn't have been. But I had all
4 of the verifications and sales scripts on my
5 computer because I had written them to
6 accommodate the billing clearinghouses. And
7 those were kind of the approved scripts that we
8 were to use. So other people had other scripts
9 that were not approved. So they would come to me
10 and ask me to write them. And then what I would
11 do is write it and fax to Andrea Salinas or
12 whomever. Get her approval. Bring it back and
13 say "This is what to use." So I would take that
14 step. I would contact the clearinghouse and make
15 sure it was approved by them.

16 Q. For a verifier to have in his or her
17 hand a script that says, "Hi. I'm so-and-so with
18 Great Lakes Verification," how would that person
19 have such a script in hand?

20 A. My guess is that it would come from
21 Elizabeth or somebody in division four or

1 division five.

2 Q. Right. But from what you just
3 described, perhaps I'm inferring something that I
4 shouldn't. But did the text of the script come
5 from you?

6 A. No. The text of the script would come
7 from the billing clearinghouse. And I would just
8 alter it to try to put it in -- you know, our
9 company's name and that kind of thing. They
10 would send me a list of requirements. I would
11 change it to match up something that we get
12 approved by Kurtis or Keanan and submit it back
13 to them. And then they would approve it. So if
14 somebody else gave a script to the verifications
15 company, it was off-line. It should not have
16 come from anyone but myself or Kurtis just
17 because we had the legitimate scripts. As I said
18 before, the sales managers would change the
19 script on occasion. And there's a chance that
20 the sales manager changed the verification script
21 and gave it to them.

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1 Q. Did you ever find out how it came to
2 be that the verifications people were saying that
3 they were from Great Lakes when, in fact, that
4 was not so?

5 A. And I didn't look into it that hard, I
6 just changed it. It wasn't something that -- I
7 really didn't have a lot of investigation time.

8 Q. So basically in terms of this April 29
9 memo, for lack of a better word, you were
10 informed of a problem and then you took care of
11 it?

12 A. Yes.

13 Q. But in terms of whether or not you
14 were supposed to know beforehand that the
15 verifications people were stating that they were
16 from Great Lakes, am I to understand from your
17 testimony that that was really the responsibility
18 of somebody else?

19 A. That would have been the
20 responsibility of Elizabeth because she was the
21 liaison with the verifications company.

1 Q. And as far as Great Lakes, actually
2 appearing as the name of the verifications
3 company, am I to also understand from your
4 testimony that that's something you didn't tell
5 the verifications people to use?

6 A. That's correct. I would not have had
7 any direct contact with the verifications
8 company. I would always contact them through
9 the -- occasionally, I would go in if something
10 needed to be done if I was the senior person in
11 the building. I don't remember what have you,
12 but it just didn't fall under my part of the
13 company.

14 Q. So there really wouldn't have been any
15 way for you to know unless you had been told that
16 Great Lakes was the name being used?

17 A. I probably would have heard it on a
18 verification tape at some point. That's how I
19 would have found out. There was nobody who would
20 come and tell me. I just wasn't -- I didn't have
21 that much interaction, not at this point.

1 Before, when I was in charge of HR and I was
2 putting people in there, then possibly. But by
3 the time I was just in charge of corporate
4 affairs, I was very much isolated into just doing
5 a specific type of work.

6 Q. But the point in time when you were
7 vice-president of administration, conceivably you
8 would have been informed or made aware of that
9 Great Lakes was the name being used?

10 A. I would have found out sooner.

11 Q. You would have found out sooner?

12 A. Yes. They wouldn't necessarily have
13 consulted me on it. That's something that would
14 have been done by Elizabeth just because she was
15 senior to that area in the company. And she
16 would not necessarily have come to me to get a
17 different script or something of that nature.

18 Q. The sentence above the "Thank you"
19 where it says "CSW Kurt for the sales script
20 modification," what does that mean?

21 A. CSW stands for completed staff work.

1 And that is the document that we would use to
2 request anything. Whether it was a day off,
3 money, a script. So what I would do is basically
4 write out what I wanted as a script, write to
5 Kurtis, "This is the script I would like the
6 sales floor to use. Please approve it." He
7 would take a look at it. If he liked it, he
8 would approve it. If not, he would red-pen it.
9 And I would change it until he was done
10 red-penning it. And it got approved.

11 Q. This is also dated April 29, 2002.
12 It's Bate Stamp 01147. If you can just look at
13 this.

14 (Witness Reviewing Document.)

15 Q. Who is the division one manager?

16 A. Kelly Adwell.

17 Q. Was this a document that you've seen
18 before today?

19 A. No.

20 Q. Where it says, "Kelly, please route me
21 copies of your week-ending statistics each week,"

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1 do you know what that's about?

2 A. Yes. We did a sheet of statistics
3 every week. You did a daily and you would put
4 the totals on a weekly total. And for Kelly in
5 division one, it would have been something like
6 "Number of people interviewed. Number of people
7 hired. Number of people started." And that was
8 given to Kurtis.

9 At this time, they probably were not
10 having executive council meetings. It's the kind
11 of document that would have went to the entire
12 executive council. But if they weren't having
13 the meetings, it would just have gone to Kurtis
14 or Kurtis and Keanan.

15 Referring to VPA, he's talking about
16 me. When I held that position, I would give the
17 stats to him and Kurt. When I left the position,
18 Kurtis took it over. And my guess is, Kurtis
19 would look at the stats, he wouldn't distribute
20 to anybody. So he's asking Kelly to give them to
21 him also.

1 Q. "He," meaning Keanan?

2 A. Correct.

3 Q. Is asking Kelly to give him statistics
4 each week?

5 A. Yes.

6 Q. The next document I'm going to show
7 you is Bate Stamp 08413. And it bears a date of
8 3 May, 2001. First off, who is Andrea Salinas?

9 A. She was a representative of USBI, like
10 our customer rep for them. She would handle
11 basically anything we needed from USBI as our
12 clearinghouse. We would go through her.

13 Q. And the e-mail appears to be directed
14 to yourself, to Kurtis and to Keanan. Am I
15 reading that correctly?

16 A. Yes. That looks right.

17 Q. What is it that Andrea is trying to
18 tell the three of you?

19 A. Basically that we're getting too many
20 complaints.

21 Q. And according to this e-mail, it

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1 suggests that there are too many slamming
2 complaints?

3 A. Yes. Every complaint was labeled as a
4 slamming complaint typically. But what that
5 means is, as defined by USBI, if a customer calls
6 in and says, "I got slammed by so-and-so," they
7 immediately them a refund. They don't ask us for
8 a script or verification tape. They don't need
9 any documentation. If the customer makes a
10 complaint, they issue a refund period. They bill
11 us back. So it's not -- this is not a slamming
12 complaint as somebody has looked through a
13 verification tape and determined that it's a
14 slamming complaint. This is -- what you're
15 looking at are customer complaints, would be more
16 accurate.

17 Q. And with respect to the first sentence
18 where it talks about faxing to your attention
19 U.S. Bell's monthly customer service summary
20 report for April, that's a report that was
21 generated by USBI?

1 A. Yes. I don't recall the report
2 specifically. I think we received that report
3 once or twice. I think that's something and
4 Elizabeth and Shalanda had the ability to go in
5 and look at, but I really didn't. I was just
6 Andrea's main connection because I did all my
7 scripts and stuff through her. So whenever she
8 would send something to the company, she would
9 typically send it to me because I was the
10 easiest. And usually, I was the quickest to
11 react to something.

12 Q. But in terms of this monthly report,
13 am I to understand that this monthly report
14 ordinarily went to somebody else?

15 A. I would guess Elizabeth.

16 Q. You would guess?

17 A. Yes. I think that I received it
18 twice. It typically must have gone to Elizabeth
19 or Shalanda because they were really the customer
20 service contacts. And they would refund a
21 customer service issue. We had an agreement with

1 USBI where they would perform our customer
2 service duties for us.

3 But it was very expensive to have them
4 do so because not only do they quickly issue
5 refunds, but they charge you every time they take
6 a phone call. Then they charge you more if they
7 actually speak to the person. And then they
8 charge you more depending of what type of
9 complaint it was. So we were working hard on
10 getting that customer service in-house. And
11 that's why we got -- for a period, they generated
12 more customer service information for us because
13 they were trying hard to keep it in their house
14 because they were making a lot of money on it.
15 So we -- there was a two or three-month period
16 where we got a lot of information about customer
17 service.

18 Q. From USBI?

19 A. Yes. Because we had gone out and
20 basically solicited. We said, "Hey, we want to
21 bring this customer service back in. We think

1 things are going pretty good." And then they
2 said, "Well, we don't think things are going so
3 good, here's the information." So we had a lot
4 of information for a couple of months. But we
5 did end up getting customer service back
6 in-house.

7 Q. At what time did that take place?

8 A. For some reason May sticks in my head.
9 I'm not positive, but I believe it was May of
10 that year.

11 Q. Because this memo is dated May 3,
12 perhaps that would help you fix it in time.

13 A. For some reason, I just had May in my
14 head. But it was sometime before I left that we
15 had customer service back in-house.

16 Q. There's a recommendation that someone
17 should be pulling rejects, customer service and
18 adjustment reports weekly to cancel the accounts.
19 What's that all about?

20 A. That's something that would have been
21 done by Shalanda or Elizabeth. I don't know what

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1 that is. I would assume that when we had a
2 customer call and complain, we had to do
3 something at our end to cancel them out of the
4 computer system so they didn't get billed again.
5 That's an assumption about what that is.

6 Q. Do you know whether or not that
7 recommendation was followed through?

8 A. I don't.

9 Q. Do you recall responding to this
10 e-mail because the last sentence here says, "Who
11 is reviewing and blocking these accounts, please
12 advise." Did you respond to this e-mail?

13 A. I don't remember.

14 Q. Do you know if you routed this e-mail
15 to Elizabeth?

16 A. I'm sure that I did.

17 Q. You don't remember specifically doing
18 it, but that would be the likely course of action
19 given what was involved here?

20 A. Typically what I would have done with
21 anything from USBI is give it to Elizabeth.

1 Especially if customer service or any type of
2 provisioning or billing was involved, Elizabeth
3 really handled all that. So I would have given
4 it to her.

5 (Luncheon recess was taken 12:30 p.m.)
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1 A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

2 EXAMINATION (cont'd.)

3 BY MR. SHOOK:

4 Q. The next document I want to show you
5 has a Bate Stamp Number of 00913. The document
6 bears the date of June 10, 2002. Have you seen
7 this document before?

8 A. Yes.

9 Q. There's some handwriting on this, can
10 you tell me whose handwriting it is?

11 A. It's Kurtis' handwriting. This is my
12 handwriting here (indicating).

13 Q. In the upper left-hand corner?

14 A. Yes. Where it says, "Looks good."
15 Kurtis wrote the letter and gave it to me to take
16 a look at it. And I gave it back to him. It's
17 concerning a fine that the State of Kansas was
18 assessing against Business Options, I believe in
19 the amount of \$150,000. And Kurtis spoke to the
20 representative there. And basically sent that
21 letter to try to have the fine reduced.

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1 Q. Why is it that Kansas is getting so
2 exercised with Business Options? \$150,000 is
3 pretty stiff.

4 A. We had a stack of complaints from
5 them. But it was a sizable number. I don't
6 exactly -- Kurtis was handling it. I don't
7 remember exactly why they were so upset. We did
8 have a number of slamming complaints there.

9 Q. Did anyone from Business Options
10 travel to Kansas to attend a hearing?

11 A. No. Not that I'm aware of.

12 Q. This was all done by correspondence
13 with Kansas?

14 A. Yes. They had sent me some
15 information and requested some documentation.
16 And I sent it to them. And it took about eight
17 months to hear back from them. And when we heard
18 back, it was a letter asking for a large fine. I
19 forwarded that to Kurtis and he told me, "I'll
20 take care of it from here. I'll kind of keep you
21 up to date." And this was his way of keeping me

1 up to date. "Do you think this letter is okay?"
2 He told me what he was going to do in advance,
3 that he was going to try to get the fine reduced.
4 And he said, "We'll send this to them and see
5 what their response is."

6 Q. Not the first paragraph, but the
7 second paragraph, specifically focussing on the
8 second sentence, which starts with, "With our
9 stated intention, I found it very complex." And
10 then he goes on from there. What is it that he
11 found so complex?

12 A. I think that the issue in the state
13 was that you had to have in your -- either your
14 sales or verification script, very specifically
15 that you were switching all the services. So
16 instead of saying you're a long distance, you had
17 to be much more specific based on their statutes.
18 And I think what Kurtis is saying is, he finds it
19 difficult to find a way to explain that to a
20 customer without the customer being very
21 confused.

1 Q. So this was supposed to be a
2 justification as to why that information didn't
3 appear in the script?

4 A. Correct.

5 Q. Do you know what happened with respect
6 to Kansas following this draft letter dated June
7 10, 2002?

8 A. I believe Kurtis told me that they
9 turned down that request to make it a \$10,000
10 fine. I don't know what happened after that.

11 Q. The next document I want to show you
12 has Bate Stamp Numbers 0969 -- 00969, 00970 and
13 00971.

14 A. Sales pitch.

15 Q. So there's a memo to Kurt from
16 yourself?

17 A. Uh-huh.

18 Q. And you're attaching sales scripts
19 that could be used?

20 A. Yes. It's a potential sales script.
21 And I believe the reason that that one is

1 separated out is because we -- we had multiple
2 packages. I think the standard script -- does
3 that say "standard" on it?

4 Q. "Residential sales pitch, standard
5 plan, no fee."

6 A. I believe that that one was
7 differentiated from the others because we were
8 not going to charge a monthly service fee,
9 something of that nature. So that's why he has
10 that script separate from the other scripts that
11 he would have received. What we would do is, get
12 something approved and then change the fees in
13 it. Reduce them, take them out. Add to them and
14 them and then resubmit. Basically, we would
15 submit the same script over and over, just with
16 different fees, different names of programs, what
17 have you.

18 Q. So this sales script that bears a date
19 of June 17, 2002. And it goes for two pages,
20 00970 and 00971. This was something that you had
21 drafted?

1 A. Yes.

2 Q. Do you know what, if anything,
3 happened with respect to the draft that you gave
4 to Kurtis?

5 A. Is it titled as U.S. Bell or Buzz
6 Telecom?

7 Q. It's entitled Buzz Telecom.

8 A. That was a potential script. They
9 were not using Buzz Telecom scripts, I don't
10 believe, when I left. So as far as I know, he
11 had that in his hands to approve or not approve.

12 Q. I notice that in the script itself,
13 there is a reference to state-to-state service.
14 And there's also a reference to in-state and
15 local long distance. Is that something new that
16 appears in the sales script or is that something
17 that had been done previously?

18 A. That had been in the script not for
19 very long before that date. And the reason is
20 because we were getting a lot of local toll
21 issues.

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1 Q. What does that mean?

2 A. Local toll is -- say you're calling
3 within your county, but it's a toll call. And
4 Ameritech charges that. And we also had a
5 program where we would charge it. And when we
6 signed anyone up for our service, we took every
7 service that we could provision. So the Lex
8 (phonetic) were calling saying, "You can't take
9 their local toll service unless you separately
10 provision it." So we were adding it to the
11 script to be very specific about it.

12 Q. When did you have this information
13 first come to your attention that the Lex were
14 saying that something you had been doing you
15 couldn't do?

16 A. I don't recall. Maybe a year ago.
17 Sometime early in 2002, I believe. I'm not
18 positive.

19 Q. I was hoping that perhaps the date of
20 the sales pitch that's noted here, June 17. And
21 the inclusion of it with in-state information

1 might help you fix that in time.

2 A. I can't. Because more than likely,
3 there was a Business Options' sales pitch that
4 has the same thing on it that was written
5 previously. I don't recall I wrote any scripts.

6 Q. The next document I want to show you
7 is 00972 entitled "Welcome letter."

8 A. This was to be the verbiage that we
9 would include on a post card when we sign someone
10 up on the service just to inform them that their
11 service had been switched.

12 Q. Do you know whether, in fact, this was
13 done?

14 A. No.

15 Q. Whose responsibility would it have
16 been to actually send out the post card with this
17 information on it?

18 A. It would have been Shalanda Robinson
19 in division four as a fulfillment of somebody's
20 order.

21 Q. The next document I want to show you

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1 bears a date of June -- 6-19-02. It's Bate Stamp
2 00907. Do you recognize that document?

3 A. Yes. That's my confirmation that
4 we've got a contract signed with Global Crossing.

5 Q. So that goes back to something that we
6 talked about earlier today?

7 A. Correct. And that was the other
8 carrier.

9 Q. That was the other carrier in addition
10 to Quest at this point in time?

11 A. Yes.

12 Q. Global Crossing, so far as you know,
13 references Buzz Telecom as the other party?

14 A. I believe so.

15 Q. The next document I want to show you
16 is 00908. Can you tell me what this document is
17 about?

18 A. Confirmation that I had registered
19 with the FCC and obtained that number.

20 Q. What was the purpose of registering
21 with the FCC?

1 A. It was just a part of getting the
2 company, all of the legal parameters in to the
3 company.

4 Q. Seeing that -- and this is for Buzz
5 Telecom, correct?

6 A. Uh-huh.

7 Q. Was there any particular reason why no
8 such registration had been made with respect to
9 U.S. Bell?

10 A. Probably we discontinued the procedure
11 for U.S. Bell.

12 Q. Is there any particular why there was
13 no registration with respect to Business Options?

14 A. I didn't register Business Options for
15 anything, so I wouldn't know. Is the FRN number,
16 is that the number you obtain when you apply to
17 do the 499-A or is this just a registration
18 number?

19 Q. This is just a registration. There's
20 a different number that you get for that.

21 A. I think that I did register Business

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